Yackulic, Ted

From: Feldman, Stephen (Perkins Coie) <SFeldman@perkinscoie.com>

Sent: Wednesday, February 19, 2014 4:40 PM

To: Yackulic, Ted; 'Justin D. Leonard'

Cc: Frederick.Phillips@USDOJ.GOV; 'shawn@sryanlaw.com'

Subject: RE: Settlement Agreement

Attachments: SETTLEMENT AGREEMENT_001.pdf; APPENDIX A_001.pdf; ESCROW DOCUMENT_001.pdf

Attached is a revised, fully-executed copy of the Settlement Agreement. Also attached is a copy of Appendix A to the Settlement Agreement (i.e., the Escrow Agreement).

Additionally, I have attached a document showing the establishment of the Escrow Account and the fact that \$135k has been deposited into the Escrow Account.

I hope and trust that the Settlement Agreement will be going out for public comment in the very near future.

Best, Stephen

From: Feldman, Stephen (Perkins Coie)
Sent: Wednesday, February 19, 2014 4:17 PM

To: 'Yackulic, Ted'; 'Justin D. Leonard'

Cc: Frederick.Phillips@USDOJ.GOV; shawn@sryanlaw.com

Subject: RE: Settlement Agreement

Great. I will circulate the revised agreement shortly.

From: Yackulic, Ted [mailto:yackulic.ted@epa.gov]
Sent: Wednesday, February 19, 2014 4:11 PM

To: Feldman, Stephen (Perkins Coie); 'Justin D. Leonard' **Cc:** Frederick.Phillips@USDOJ.GOV; shawn@sryanlaw.com

Subject: RE: Settlement Agreement

The language works for EPA.

From: Feldman, Stephen (Perkins Coie) [mailto:SFeldman@perkinscoie.com]

Sent: Wednesday, February 19, 2014 3:09 PM

To: 'Justin D. Leonard'

Cc: Frederick.Phillips@USDOJ.GOV; Yackulic, Ted; shawn@sryanlaw.com

Subject: RE: Settlement Agreement

Thanks, all.

That leaves only Ted.

From: Justin D. Leonard [mailto:jleonard@ml-llp.com]

Sent: Wednesday, February 19, 2014 3:08 PM

To: Feldman, Stephen (Perkins Coie)

Cc: Frederick.Phillips@USDOJ.GOV; Yackulic, Ted (yackulic.ted@epa.gov); shawn@sryanlaw.com

Subject: Re: Settlement Agreement

That is acceptable. Thanks.

On Feb 19, 2014, at 2:45 PM, "Feldman, Stephen (Perkins Coie)" < SFeldman@perkinscoie.com> wrote:

Fred, Ted, Justin, and Shawn,

In accordance with the comments in Fred's email (immediately below), I propose that we simply agree to change the existing language of Paragraph 23 of the Settlement Agreement from:

1. <u>Covenants for Settling Parties by EPA</u>. Except as specifically provided in Section VIII (Reservations of Rights by EPA), EPA covenants not to sue or take administrative action against Settling Parties pursuant to Section 107(a) of CERCLA, 42 U.S.C. § 9607(a), to recover Response Costs, including to withdraw and release any claim of EPA filed against the Estate in the Case. As to each Settling Party, these covenants shall take effect only upon receipt by EPA of \$250,000 from the Escrow Account, as set forth in Section V (Payment of Response Costs). These covenants extend only to Settling Parties and do not extend to any other person.

To the following (the changed language is highlighted for ease of reference):

2. <u>Covenants for Settling Parties by EPA</u>. Except as specifically provided in Section VIII (Reservations of Rights by EPA), EPA covenants not to sue or take administrative action against Settling Parties pursuant to Section 107(a) of CERCLA, 42 U.S.C. § 9607(a), to recover Response Costs. <u>EPA further agrees not to file any claim for Response Costs against the Estate in the Case.</u> As to each Settling Party, these covenants shall take effect only upon receipt by EPA of \$250,000 from the Escrow Account, as set forth in Section V (Payment of Response Costs). These covenants extend only to Settling Parties and do not extend to any other person.

Assuming that everyone agrees to this change, then I propose that everyone simply sends a responsive email (please "reply all") confirming that this change is acceptable. As soon as I receive everyone's confirmation, I will re-circulate a fully-executed copy of the Settlement Agreement using the signatures that already have been provided. I see no need for everyone to re-sign, as the pagination will not change.

Unless someone has a question or concern, I will await receipt of the requested confirmation.

Thanks, Stephen

From: Phillips, Frederick (ENRD) [mailto:Frederick.Phillips@usdoj.gov]

Sent: Tuesday, February 18, 2014 8:01 PM

To: Feldman, Stephen (Perkins Coie) **Subject:** Re: Settlement Agreement

My mngmt has no objection to the stlmt provided that -

EPA and we resolve the delegated authority issue I've mentioned previously - I hope to work through this with Ted tomorrow; and

The other thing that got flagged was the release of filed claims in the covenant (para 23). This makes no sense because we've filed no claims against the Estate and aren't going to. If we did, EPA would be without authority to settle them. We want to substitute

"EPA further agrees not to file any claim for Response Costs against the Estate in the case."

This appears to be the intended meaning, avoids the potential for confusion regarding the meaning of apparently meaningless language, and raises no question about EPA's administrative authority.

I am sorry for this inconvenience. I think that the provision was included at a point when it was assumed we would be filing in the bankruptcy. When Justin opined that that would not be necessary, we thought we could better accommodate your client by EPA settling administratively without formal DOJ concurrence. Usually, that is a far more expedient means of getting this done, though it seems not to be working out that way here.

Sent Using U.S. DOJ/ENRD BES 5 Server

From: Feldman, Stephen (Perkins Coie) [mailto:SFeldman@perkinscoie.com]

Sent: Tuesday, February 18, 2014 09:22 PM

To: Phillips, Frederick (ENRD)

Subject: RE: Settlement Agreement

I have heard nothing from Ted.

From: Phillips, Frederick (ENRD) [mailto:Frederick.Phillips@usdoj.gov]

Sent: Tuesday, February 18, 2014 6:22 PM

To: Feldman, Stephen (Perkins Coie) **Subject:** Re: Settlement Agreement

Stephen - I have been tied up with something else all day, but passed along remaining concerns to Ted earlier today and I hope that he has been in touch with you. Let me know if you need anything more from me. Thanks.

Sent Using U.S. DOJ/ENRD BES 5 Server

From: Feldman, Stephen (Perkins Coie) [mailto:SFeldman@perkinscoie.com]

Sent: Tuesday, February 18, 2014 04:18 PM

To: Phillips, Frederick (ENRD)

Cc: Yackulic, Ted (yackulic.ted@epa.gov) < yackulic.ted@epa.gov>

Subject: RE: Settlement Agreement

Fred,

Any news on this?

Please advise.

Thanks, Stephen

From: Phillips, Frederick (ENRD) [mailto:Frederick.Phillips@usdoj.gov]

Sent: Friday, February 14, 2014 2:05 PM **To:** Feldman, Stephen (Perkins Coie) **Subject:** Re: Settlement Agreement

Stephen - Ted and I have been doing all we can to move this to settlement - EPA decided to do this administratively rather than by judicial consent decree on the theory that that would be the quicker course. As I said earlier, the glitch is not with the terms of the deal - the issue - which previously had been cleared by all who looked at it here and at EPA - is whether EPA is authorized to do it without formal DOJ approval.

Sent Using U.S. DOJ/ENRD BES 5 Server

From: Feldman, Stephen (Perkins Coie) [mailto:SFeldman@perkinscoie.com]

Sent: Friday, February 14, 2014 04:40 PM

To: Phillips, Frederick (ENRD)

Subject: RE: Settlement Agreement

Fred,

I certainly hope that there is no issue here, as my client has made multiple and substantial decisions based on the fact that EPA already had agreed to and had signed the settlement agreement (and with the understanding that final approval of the settlement agreement was subject only to the public comment process).

Please keep me apprised.

Stephen

From: Phillips, Frederick (ENRD) [mailto:Frederick.Phillips@usdoj.gov]

Sent: Friday, February 14, 2014 1:02 PM To: Feldman, Stephen (Perkins Coie) Subject: Re: Settlement Agreement

Stephen -- substance of the deal is fine, but management here has raised a concern re EPA's authority to enter the Agreemt. This concern was voiced for the first time Wednesday night. The issue has been raised to higher mngmt and I've been awaiting an answer. Being hit with nearly a foot of snow yesterday (office was closed) didn't help. I am trying my best to get an answer. Again, it's not the terms -- EPA gets 250K and settling ptys get a covenant not to sue -- that's the problem -- it's a fairly arcane point of whether EPA has been delegated authority under the statute to settle this administratively (see 42 USC 9622(h)).

Sent Using U.S. DOJ/ENRD BES 5 Server

From: Feldman, Stephen (Perkins Coie) [mailto:SFeldman@perkinscoie.com]

Sent: Friday, February 14, 2014 03:44 PM

To: Phillips, Frederick (ENRD)

Subject: RE: Settlement Agreement

Fred,

Any update you can provide would be appreciated.

Thanks, Stephen From: Feldman, Stephen (Perkins Coie) Sent: Friday, February 14, 2014 7:42 AM

To: 'Frederick.Phillips@usdoj.gov'; 'yackulic.ted@epa.gov'; 'jleonard@ml-llp.com'

Cc: 'shawn@sryanlaw.com'

Subject: Re: Settlement Agreement

Fred,

Can you please advise as to the status of this matter. As I have previously stated, it is important to my client that the public comment process get underway as quickly as possible.

Thanks, Stephen

From: Feldman, Stephen (Perkins Coie)

Sent: Thursday, February 13, 2014 07:54 AM Pacific Standard Time

To: 'Frederick.Phillips@usdoj.gov' <Frederick.Phillips@usdoj.gov' ; 'yackulic.ted@epa.gov' <yackulic.ted@epa.gov' ; 'jleonard@ml-llp.com'

<jleonard@ml-llp.com>

Cc: 'shawn@sryanlaw.com' <shawn@sryanlaw.com>

Subject: Re: Settlement Agreement

Fred,

FYI, I have collected all the signatures on the settlement agreement, so we are good to go as soon as you give the green light.

Stephen

From: Phillips, Frederick (ENRD) [mailto:Frederick.Phillips@usdoj.gov] **Sent**: Wednesday, February 12, 2014 07:59 PM Pacific Standard Time

To: Feldman, Stephen (Perkins Coie); 'yackulic.ted@epa.gov' < yackulic.ted@epa.gov >; 'jleonard@ml-llp.com' < jleonard@ml-llp.com >

Cc: 'shawn@sryanlaw.com' <shawn@sryanlaw.com>

Subject: Re: Settlement Agreement

All: pls do not file Settlement Agreement until I get back to you. Management here has asked to review final version. I expect to be back to you tomorrow. Thanks.

Sent Using U.S. DOJ/ENRD BES 5 Server

From: Feldman, Stephen (Perkins Coie) [mailto:SFeldman@perkinscoie.com]

Sent: Wednesday, February 12, 2014 07:21 PM

To: 'Yackulic, Ted' <yackulic.ted@epa.gov>; 'jleonard@ml-llp.com' <jleonard@ml-llp.com>

Cc: 'shawn@sryanlaw.com' <shawn@sryanlaw.com>; Phillips, Frederick (ENRD)

Subject: RE: Settlement Agreement

Thanks, Ted.

I will put together and circulate a fully-executed copy of the settlement agreement as soon as I receive the signature of the Ferry Owner. (Shawn, any news on the status of that?)

Stephen

From: Yackulic, Ted [mailto:yackulic.ted@epa.gov]
Sent: Wednesday, February 12, 2014 4:13 PM

To: Feldman, Stephen (Perkins Coie); 'jleonard@ml-llp.com' Cc: 'shawn@sryanlaw.com'; Frederick.Phillips@USDOJ.GOV

Subject: RE: Settlement Agreement

Stephen, Justin and Shawn,

Attached is a pdf of the Settlement Agreement with EPA's signature page. EPA will need a copy that is signed by all parties before we initiate our public comment process. This will require us to publish the Settlement Agreement in the Federal Register. Publication takes a couple of weeks. After it is published, the public will have a thirty day period to review the Settlement Agreement and provide EPA with comments. After the public comment period has run, EPA will respond to any comments it receives, and, consistent with Paragraph 43 of the Settlement Agreement, will determine whether EPA should modify or withdraw its consent to the Settlement Agreement. Assuming, EPA determines to neither modify nor withdraw its consent, the Settlement will become effective. In any event, EPA will notify the Settling Parties of the determination on the date it is made.

Thanks for your cooperation and feel free to contact me with questions.

Ted Yackulic, Assistant Regional Counsel U.S. Environmental Protection Agency, Region 10 1200 Sixth Avenue, Suite 900 Seattle, WA 98101

Phone: 206-553-1218 yackulic.ted@epa.gov From: Feldman, Stephen (Perkins Coie) [mailto:SFeldman@perkinscoie.com]

Sent: Tuesday, February 11, 2014 1:36 PM **To:** Yackulic, Ted; '<u>ileonard@ml-llp.com</u>'

Cc: 'shawn@sryanlaw.com'; Frederick.Phillips@USDOJ.GOV

Subject: Re: Settlement Agreement

Ted,

As soon as you are able to do so, please let us know how EPA would like to proceed.

Thanks, Stephen

From: Yackulic, Ted [mailto:yackulic.ted@epa.gov]

Sent: Tuesday, February 11, 2014 11:23 AM Pacific Standard Time

To: Justin D. Leonard < <u>ileonard@ml-llp.com</u>>

Cc: Feldman, Stephen (Perkins Coie); shawn@sryanlaw.com; Frederick.Phillips@USDOJ.GOV

< Frederick. Phillips@USDOJ.GOV > Subject: RE: Settlement Agreement

Only if my \$0.02 mattered.

From: Justin D. Leonard [mailto:jleonard@ml-llp.com]

Sent: Monday, February 10, 2014 5:23 PM

To: Yackulic, Ted

Cc: Feldman, Stephen (Perkins Coie); shawn@sryanlaw.com; Frederick.Phillips@USDOJ.GOV

Subject: Re: Settlement Agreement

I have no need to present the Court with signatures, but I think it would be best to get it signed now if possible, so we don't need to worry about it later.

Regardless of signing, the settlement does not become effective until it's approved by the Court and goes through the EPA approval process, so I don't see a problem with the EPA signing it now.

My \$0.02,

Justin

- - -

Justin D. Leonard

Admitted in Oregon, Washington & Idaho

<image001.jpg>

McKittrick Leonard LLP[ML-LLP.com] | Commercial Bankruptcy & Business Law

111 SW Columbia, Ste. 1100 | Portland, OR 97201 P 971.634.0190 | F 971.634.0250 | **D 971.634.0192**

On Mon, Feb 10, 2014 at 5:06 PM, Yackulic, Ted < <u>yackulic.ted@epa.gov</u>> wrote: Steve,

I've had a busy day on other stuff and am just getting to emails. Can you send me a word version of the settlement agreement? I'll set this up for internal review and concurrence.

I assume we are trying to present a Settlement Agreement signed by all parties to the Bankruptcy Court. Note, the Settlement Agreement will not be effective until we've provided notice of the settlement to public, provided a 30 day public comment period, responded to comments, and determined that the settlement is appropriate. I'm also trying to confirm that EPA can sign the settlement before we provide the public with an opportunity to comment and respond. Feel free to call to discuss.

Ted Yackulic, Assistant Regional Counsel U.S. Environmental Protection Agency, Region 10 1200 Sixth Avenue, Suite 900 Seattle, WA 98101

Phone: <u>206-553-1218</u> <u>yackulic.ted@epa.gov</u>

From: Feldman, Stephen (Perkins Coie) [mailto: SFeldman@perkinscoie.com]

Sent: Monday, February 10, 2014 12:28 PM

To: 'Justin D. Leonard'; shawn@sryanlaw.com; Yackulic, Ted; Frederick.Phillips@USDOJ.GOV

Subject: RE: Settlement Agreement

All,

Attached is an execution copy of the settlement agreement. If anyone sees any issue (whether substantive or formatting) with this version of the agreement, please advise ASAP. Otherwise, I think we can begin the signature collection process.

Thanks, Stephen

From: Justin D. Leonard [mailto:jleonard@ml-llp.com]

Sent: Friday, February 07, 2014 6:27 PM **To:** Feldman, Stephen (Perkins Coie)

Cc: shawn@sryanlaw.com, yackulic.ted@epa.gov, Frederick.Phillips@USDOJ.GOV

Subject: Re: Settlement Agreement

Ditto. Sorry - just saw this.

On Feb 7, 2014, at 5:50 PM, "Feldman, Stephen (Perkins Coie)" < SFeldman@perkinscoie.com > wrote:

Thanks, Shawn.

Justin?

From: Shawn Ryan [mailto:shawn@sryanlaw.com]

Sent: Friday, February 07, 2014 05:40 PM Pacific Standard Time

To: Feldman, Stephen (Perkins Coie)

Cc: 'Yackulic, Ted' < yackulic.ted@epa.gov >; Frederick.Phillips@USDOJ.GOV < Frederick.Phillips@USDOJ.GOV >; Justin D. Leonard

(<u>ileonard@ml-llp.com</u>) < <u>ileonard@ml-llp.com</u>>; Shawn Ryan < <u>shawn@sryanlaw.com</u>>; Mark Okasaki

<<u>m.okazaki.mo@gmail.com</u>>

Subject: Re: Settlement Agreement

I am OK with that change.

Shawn P. Ryan

Sent from my phone.

"Feldman, Stephen (Perkins Coie)" < SFeldman@perkinscoie.com> wrote:

Justin and Shawn,

Ted and I just spoke.

Please confirm that you are OK with the one substantive change that Ted has proposed (i.e., the addition of Section 122(1) to the failure to comply provision).

Once I have received your confirmation, I will attend to the formatting issue raised by Ted, and then circulate an execution copy of the agreement.

Thanks, Stephen

From: Yackulic, Ted [mailto:yackulic.ted@epa.gov]

Sent: Friday, February 07, 2014 2:32 PM

To: Feldman, Stephen (Perkins Coie); Frederick.Phillips@USDOJ.GOV **Cc:** Justin D. Leonard (jleonard@ml-llp.com); shawn@sryanlaw.com

Subject: RE: Settlement Agreement

Stephen,

I went over the Settlement with my managers. Subject to changes, it will be acceptable to the U.S.

The first request is that the formatting be fixed so that paragraph numbers start at the of the margin and the body of the paragraph be one tab to the right.

The second request is that we add Section 122(1) to the failure to comply sections. This section allows us to collect a civil penalty in the event that a Settling Party violates the Settlement Agreement. The cited section 122 h3 allows us to recover the amount owed if it is not paid.

I. FAILURE TO COMPLY WITH SETTLEMENT AGREEMENT

1. If a Settling Party fails or refuses to comply with the requirements of this Settlement Agreement, it, he or she shall be subject to enforcement action pursuant to Section 122(h)(3) of CERCLA, 42 U.S.C. § 9622(h)(3). If the United States, on behalf of EPA, brings an action to enforce this Settlement Agreement, the Settling Party shall reimburse the United States for all costs of such action, including but not limited to costs of attorney time.

I'll give you a call to discuss. Thanks.

U.S. Environmental Protection Agency, Region 10 1200 Sixth Avenue, Suite 900 Seattle, WA 98101

Phone: <u>206-553-1218</u> yackulic.ted@epa.gov

From: Feldman, Stephen (Perkins Coie) [mailto:SFeldman@perkinscoie.com]

Sent: Friday, February 07, 2014 1:12 PM

To: Yackulic, Ted; Frederick.Phillips@USDOJ.GOV

Cc: Justin D. Leonard (jleonard@ml-llp.com); shawn@sryanlaw.com

Subject: RE: Settlement Agreement

All, attached is what I believe to be the "final" version of the settlement agreement.

Ted, please advise as to when we should begin collecting signatures.

Thanks, Stephen

From: Yackulic, Ted [mailto:yackulic.ted@epa.gov]

Sent: Friday, February 07, 2014 12:36 PM

To: Feldman, Stephen (Perkins Coie); Frederick.Phillips@USDOJ.GOV **Cc:** Justin D. Leonard (jleonard@ml-llp.com); shawn@sryanlaw.com

Subject: RE: Settlement Agreement

It still needs to be approved by my management. Can you send me the "final" copy for review. I'll try and speed it along as best as possible. Thanks.

Ted Yackulic, Assistant Regional Counsel U.S. Environmental Protection Agency, Region 10 1200 Sixth Avenue, Suite 900 Seattle, WA 98101

Phone: <u>206-553-1218</u> <u>yackulic.ted@epa.gov</u> From: Feldman, Stephen (Perkins Coie) [mailto:SFeldman@perkinscoie.com]

Sent: Friday, February 07, 2014 11:03 AM

To: Yackulic, Ted; Frederick.Phillips@USDOJ.GOV

Cc: Justin D. Leonard (jleonard@ml-llp.com); shawn@sryanlaw.com

Subject: RE: Settlement Agreement

Thanks, Ted.

Consistent with the information below, I will finalize the settlement agreement and circulate an execution copy later today.

Best, Stephen

From: Yackulic, Ted [mailto:yackulic.ted@epa.gov]

Sent: Friday, February 07, 2014 10:33 AM

To: Frederick.Phillips@USDOJ.GOV; Feldman, Stephen (Perkins Coie)

Subject: RE: Settlement Agreement

1. Is the EPA Docket No. correct. (Ted?)

Yes

2. Does the same docket number go in the caption and in each of the signature blocks? I assume so, but they were originally labeled differently (one was labeled "EPA Docket No." and one was labeled "CERCLA Docket No.").

Yes

3. Do we have to include addresses in the signature blocks? It would be simpler not to have to do so.

No, Name and title printed under the signature line should do. Thanks.

From: Phillips, Frederick (ENRD) [mailto:Frederick.Phillips@usdoj.gov]

Sent: Wednesday, February 05, 2014 3:01 PM

To: Feldman, Stephen (Perkins Coie)

Cc: Yackulic, Ted

Subject: RE: Settlement Agreement

Stephen – so far as I know, EPA Dkt and CERCLA Dkt should be the same number.

As for the addresses in signature blocks, that's the way we do it on consent decrees and, In my experience, the way it's typically done on EPA Admin Agreements. Whether it's GOT to be that way, I have to defer to Ted. Sorry to be passing the buck.

Thanks,

FSP

From: Feldman, Stephen (Perkins Coie) [mailto:SFeldman@perkinscoie.com]

Sent: Wednesday, February 05, 2014 5:50 PM

To: Phillips, Frederick (ENRD)

Cc: Yackulic, Ted

Subject: RE: Settlement Agreement

Fred,

I only had questions about the blanks in the caption and the signature blocks.

The specific questions for which I am still awaiting confirmation are:

- 4. Is the EPA Docket No. correct. (Ted?)
- 5. Does the same docket number go in the caption and in each of the signature blocks? I assume so, but they were originally labeled differently (one was labeled "<u>EPA</u> Docket No." and one was labeled "<u>CERCLA</u> Docket No.").
- 6. Do we have to include addresses in the signature blocks? It would be simpler not to have to do so.

That's it.

Please advise, as I'd like to get this finalized and signed as soon as possible.

Thanks, Stephen

From: Phillips, Frederick (ENRD) [mailto:Frederick.Phillips@usdoj.gov]

Sent: Wednesday, February 05, 2014 1:59 PM

To: Feldman, Stephen (Perkins Coie)

Cc: Yackulic, Ted

Subject: RE: Settlement Agreement

Stephen – the only highlighted items on the version I've got are the EPA Region number (10 is correct) and the EPA Docket No. (again, I think you're correct, but Ted has to confirm).

Are there other uncertainties? Changes subsequent to our email exchanges of 4:36 - 5:03 pm ET yesterday? Thanks.

From: Feldman, Stephen (Perkins Coie) [mailto:SFeldman@perkinscoie.com]

Sent: Tuesday, February 04, 2014 8:28 PM

To: 'shawn@sryanlaw.com'; Phillips, Frederick (ENRD); 'yackulic.ted@epa.gov'

Cc: 'jleonard@ml-llp.com'

Subject: RE: Settlement Agreement

All,

I have filled in the caption and signature blocks with my best guesses. Everything about which I am uncertain is highlighted. Please review and let me know what, if any, changes need to be made.

Question: Do we really need addresses in the signature blocks?

Thanks, Stephen

From: Feldman, Stephen (Perkins Coie) Sent: Tuesday, February 04, 2014 2:49 PM

To: 'shawn@sryanlaw.com'; 'Frederick.Phillips@usdoj.gov'; 'yackulic.ted@epa.gov'

Cc: 'jleonard@ml-llp.com'

Subject: Re: Settlement Agreement

Fred and Ted,

Can you please confirm the "EPA docket number" that is to be included in the signature blocks. And can you please also confirm if that is the same as the "CERCLA Docket No." in the caption that likewise needs to be filled in.

Thanks, Stephen

From: Shawn Ryan [mailto:shawn@sryanlaw.com]

Sent: Tuesday, February 04, 2014 02:21 PM Pacific Standard Time

To: Feldman, Stephen (Perkins Coie); 'Phillips, Frederick (ENRD)' < Frederick. Phillips@usdoj.gov >; 'Yackulic, Ted'

<<u>yackulic.ted@epa.gov</u>>

Cc: jleonard@ml-llp.com < jleonard@ml-llp.com>

Subject: RE: Settlement Agreement

Thanks everyone.

Shawn P. Ryan
Law Office of Shawn P. Ryan
Gus Solomon Courthouse
620 S.W. Main St., Ste. 612
Portland, OR 97205
(503) 417-0477
(503) 417-0475 fax
www.sryanlaw.com[sryanlaw.com]

We are now required by federal law to inform you that any tax advice in this communication is not intended or written to be used, and cannot be used by the recipient for the purpose of avoiding penalties that may be imposed on any taxpayer.

From: Feldman, Stephen (Perkins Coie) [mailto:SFeldman@perkinscoie.com]

Sent: Tuesday, February 04, 2014 2:09 PM

To: 'Shawn Ryan'; 'Phillips, Frederick (ENRD)'; 'Yackulic, Ted'

Cc: <u>jleonard@ml-llp.com</u>

Subject: RE: Settlement Agreement

Justin and Shawn,

I just received confirmation from Fred that the last version of the settlement agreement that I circulated is acceptable to EPA. Accordingly, it appears that we have a deal (subject to approval by EPA management and the ensuing public comment period).

Unless I hear any objection, I will finalize the agreement and circulate execution copies.

Thanks, Stephen

From: Shawn Ryan [mailto:shawn@sryanlaw.com]
Sent: Tuesday, February 04, 2014 12:57 PM

To: Feldman, Stephen (Perkins Coie); 'Phillips, Frederick (ENRD)'; 'Yackulic, Ted'

Cc: jleonard@ml-llp.com

Subject: Settlement Agreement

The Settlement Agreement Stephen attached is acceptable to Lombard.

Shawn P. Ryan
Law Office of Shawn P. Ryan
Gus Solomon Courthouse
620 S.W. Main St., Ste. 612
Portland, OR 97205
(503) 417-0477
(503) 417-0475 fax
www.sryanlaw.com[sryanlaw.com]

We are now required by federal law to inform you that any tax advice in this communication is not intended or written to be used, and cannot be used by the recipient for the purpose of avoiding penalties that may be imposed on any taxpayer.

From: Feldman, Stephen (Perkins Coie) [mailto:SFeldman@perkinscoie.com]

Sent: Tuesday, February 04, 2014 12:35 PM **To:** 'Phillips, Frederick (ENRD)'; 'Yackulic, Ted' **Cc:** 'ileonard@ml-llp.com'; shawn@sryanlaw.com

Subject: RE: Escrow Agreement

Fred,

I appreciate your concern with my proposed language, but I have a concern with yours. I think the attached should work for both of us, however. The only changes are to Paragraph 11 and a slight tweak to Paragraph 4. Please let me know if this works.

Thanks, Stephen

From: Phillips, Frederick (ENRD) [mailto:Frederick.Phillips@usdoj.gov]

Sent: Tuesday, February 04, 2014 12:13 PM

To: Feldman, Stephen (Perkins Coie); 'Yackulic, Ted' **Cc:** 'jleonard@ml-llp.com'; shawn@sryanlaw.com

Subject: RE: Escrow Agreement

I'm sorry to belabor this, but we will still need a tweak to Paragraph 11 as follows:

2. The Site is a "facility" as defined by Section 101(9) of CERCLA, 42 U.S.C. § 9601(9). The abandonment of "barrels, containers, and other closed receptacles containing [a] hazardous substance" on the Site constitutes a "release" or "threatened release" of hazardous substances from the Site, as defined by Section 101(22) of CERCLA, 42 U.S.C. § 9601(22).

Stephen's proposed revision could be misconstrued as stating that the Site is otherwise clean. EPA has no information in that regard and cannot express any opinion.

Thanks.ess any opinion.

From: Feldman, Stephen (Perkins Coie) [mailto:SFeldman@perkinscoie.com]

Sent: Tuesday, February 04, 2014 2:06 PM **To:** Phillips, Frederick (ENRD); 'Yackulic, Ted' **Cc:** 'jleonard@ml-llp.com'; shawn@sryanlaw.com

Subject: RE: Escrow Agreement

All,

Attached is what I hope to be the final version of the settlement agreement. This version incorporates all of the changes proposed by Fred this morning. The minor additional proposed changes appear in redline. And, as you will see, those changes, consist of the following:

- 1. The inclusion of a sentence in Paragraph 11 to address the "release or" issue that is the subject of the emails below;
- 2. The inclusion of the \$230,000 figure for the Ferry Property in Paragraph 13;
- 3. Tweaking of the language in Paragraph 14 to reflect the fact that the sale of the Queen Property has not yet occurred; and
- 4. Two grammatical changes in Paragraph 16.

Please confirm as soon as possible that you are all OK with these changes.

Thanks, Stephen

From: Phillips, Frederick (ENRD) [mailto:Frederick.Phillips@usdoj.gov]

Sent: Tuesday, February 04, 2014 10:55 AM

To: Feldman, Stephen (Perkins Coie); 'Yackulic, Ted'; 'tyackulic@gmail.com'

Cc: '<u>ileonard@ml-llp.com</u>'

Subject: RE: Escrow Agreement

Stephen – that's fine. ""Release or threatened release" within the meaning of 42 USC 9601(22)." Something like that should do it.

FSP

From: Feldman, Stephen (Perkins Coie) [mailto:SFeldman@perkinscoie.com]

Sent: Tuesday, February 04, 2014 1:19 PM

To: Phillips, Frederick (ENRD); 'Yackulic, Ted'; 'tyackulic@gmail.com'

Cc: 'jleonard@ml-llp.com'

Subject: RE: Escrow Agreement

Fred,

I just took a look at your comments.

I am fine with your revision to paragraph 37.

Regarding paragraphs 4 and 11, my suggested resolution is to keep in the phrase "release or," as you have proposed, but also include a specific reference to the statutory section that you have cited. I will circulate some proposed language for your consideration.

Thanks, Stephen

From: Feldman, Stephen (Perkins Coie) Sent: Tuesday, February 04, 2014 9:56 AM

To: 'Phillips, Frederick (ENRD)'; 'Yackulic, Ted'; 'tyackulic@gmail.com'

Cc: 'jleonard@ml-llp.com'

Subject: RE: Escrow Agreement

Thanks, Fred. I will review the proposed revisions, but I just had a brief conversation with Ted so I have an idea of what they are. Regarding the striking of the term "release" and leaving only the term "threatened release," I explained to Ted why I think that change is both accurate and important. I would welcome the chance to discuss that issue with you as well.

I will defer to Justin regarding the value of the assets and liabilities of the estate, but as to the value of the personal property transferred to the Queen Ave owners, I can tell you that that property likely has a negative value, given that the expense associated with disassembling, removing, and disposing of the personal property will likely exceed the proceeds of any sale or other disposition of the property.

From: Phillips, Frederick (ENRD) [mailto:Frederick.Phillips@usdoj.gov]

Sent: Tuesday, February 04, 2014 9:45 AM

To: Feldman, Stephen (Perkins Coie); 'Yackulic, Ted'; 'tyackulic@gmail.com'; 'Kelly.Norton@ctt.com'

Cc: 'jleonard@ml-llp.com'

I'm attaching the SA with very minor revisions at paragraphs 4, 11, and 37. With that, I think we're done and prepared to recommend approval by those with authority to bind the US.

In support of final approval we're going to need some current statement of the assets and liabilities of the estate and at least an estimate of the value of the personal property transferred to Queen Ave owners.

Thanks very much.

Frederick S. Phillips
Senior Attorney
Environmental Enforcement Section
Environment and Natural Resources Division
U.S. Department of Justice
(202) 305-0439
frederick.phillips@usdoj.gov

Regular mail: P.O. Box 7611

Washington, D.C. 20044-7611

Overnite/ 601 D. St., NW

Courier: Washington, D.C. 20004

From: Feldman, Stephen (Perkins Coie) [mailto:SFeldman@perkinscoie.com]

Sent: Tuesday, February 04, 2014 12:33 PM

To: 'Yackulic, Ted'; 'tyackulic@gmail.com'; 'Kelly.Norton@ctt.com'; Phillips, Frederick (ENRD)

Cc: 'jleonard@ml-llp.com'

Subject: RE: Escrow Agreement

Thanks, Ted.

We look forward to EPA's comments.

From: Yackulic, Ted [mailto:yackulic.ted@epa.gov]

Sent: Tuesday, February 04, 2014 9:27 AM

To: Feldman, Stephen (Perkins Coie); 'tyackulic@gmail.com'; 'Kelly.Norton@ctt.com'; Frederick.Phillips@USDOJ.GOV

Cc: '<u>jleonard@ml-llp.com</u>'

Steve,

I forwarded my comments to Fred and hope to talk with him before I get on a plane. He will forward our comments today. The Settlement Agreement has not been reviewed by my management but I will recommend it to my management after we've worked through the issues. I'm available by cell 206 371 2170 and email until I get back to the office on Friday. Thanks.

Ted

From: Feldman, Stephen (Perkins Coie) < SFeldman@perkinscoie.com>

Sent: Monday, February 03, 2014 3:51 PM

To: Yackulic, Ted; 'tyackulic@gmail.com'; 'Kelly.Norton@ctt.com'; Frederick.Phillips@USDOJ.GOV

Cc: 'jleonard@ml-llp.com'

Subject: RE: Escrow Agreement

Ted,

Although we believe that the recording fee is an expense that properly should be incurred by EPA, the Seller is willing to pay it.

It is critical that we finalize and execute the settlement agreement as soon as possible. Thus, can you and Fred please let us know if EPA has any issues with the version that I circulated earlier today.

Thanks, Stephen

From: Yackulic, Ted [mailto:yackulic.ted@epa.gov]

Sent: Monday, February 03, 2014 3:14 PM

To: Yackulic, Ted; Feldman, Stephen (Perkins Coie); 'tyackulic@gmail.com'; 'Kelly.Norton@ctt.com';

Frederick.Phillips@USDOJ.GOV Cc: 'jleonard@ml-llp.com'

Attached is a copy of a letter transmitting EPA's request that Chicago Title record the lien release. We appreciate the seller and/or buying assuming the cost of the recording.

From: Yackulic, Ted

Sent: Monday, February 03, 2014 11:39 AM

To: 'Feldman, Stephen (Perkins Coie)'; 'tyackulic@gmail.com'; 'Kelly.Norton@ctt.com'; Frederick.Phillips@USDOJ.GOV

Cc: 'ileonard@ml-llp.com'

Subject: RE: Escrow Agreement

I'm not sure I can make that commitment. If you want EPA to pay, we may need to wait for the person with the authority to write to get back in the office.

From: Feldman, Stephen (Perkins Coie) [mailto:SFeldman@perkinscoie.com]

Sent: Monday, February 03, 2014 11:37 AM

To: Yackulic, Ted; 'tyackulic@gmail.com'; 'Kelly.Norton@ctt.com'; Frederick.Phillips@USDOJ.GOV

Cc: 'ileonard@ml-llp.com'

Subject: RE: Escrow Agreement

I believe that that is essentially it (i.e., a letter requesting Chicago Title to file the lien release).

Kelly, can you please confirm, and please also let Ted know if there is any special language you need in the letter?

Ted, I assume that EPA also will need to pay for (or reimburse Chicago Title for) the filing fee.

From: Yackulic, Ted [mailto:yackulic.ted@epa.gov]

Sent: Monday, February 03, 2014 11:32 AM

To: Feldman, Stephen (Perkins Coie); 'tyackulic@gmail.com'; 'Kelly.Norton@ctt.com'; Frederick.Phillips@USDOJ.GOV

Cc: 'jleonard@ml-llp.com'

Subject: RE: Escrow Agreement

By instructions do you mean a letter requesting that Chicago Title file the lien release? Not a problem. I could the release form to

Kelly M. Norton Senior Escrow Officer/Commercial Division Chicago Title Company 1211 SW Fifth Avenue, Suite 2130 Portland, OR 97204 From: Feldman, Stephen (Perkins Coie) [mailto:SFeldman@perkinscoie.com]

Sent: Monday, February 03, 2014 11:29 AM

To: Yackulic, Ted; 'tyackulic@gmail.com'; 'Kelly.Norton@ctt.com'; Frederick.Phillips@USDOJ.GOV

Cc: 'ileonard@ml-llp.com'

Subject: RE: Escrow Agreement

That timing will likely be a problem, as I know the hope and intent is to close by no later than Wednesday of this week.

I believe that Chicago Title can handle the recording, but I believe that that will require you sending the original lien release (ASAP) and providing appropriate instructions to Chicago Title. Is that correct, Kelly?

From: Yackulic, Ted [mailto:yackulic.ted@epa.gov]

Sent: Monday, February 03, 2014 11:25 AM

To: Feldman, Stephen (Perkins Coie); 'tyackulic@gmail.com'; 'Kelly.Norton@ctt.com'; Frederick.Phillips@USDOJ.GOV

Cc: 'jleonard@ml-llp.com'

Subject: RE: Escrow Agreement

We can record the release. However, the person who files and pays the filing fee is out until Wednesday and starting tomorrow I'm on travel until Thursday night. So, it may take us until early next week to file the original. Does that work?

Ted Yackulic, Assistant Regional Counsel
U.S. Environmental Protection Agency, Region 10
1200 Sixth Avenue, Suite 900
Seattle, WA 98101

Phone: 206-553-1218 yackulic.ted@epa.gov

From: Feldman, Stephen (Perkins Coie) [mailto:SFeldman@perkinscoie.com]

Sent: Monday, February 03, 2014 9:02 AM

To: Yackulic, Ted; 'tyackulic@gmail.com'; 'Kelly.Norton@ctt.com'; Frederick.Phillips@USDOJ.GOV

Cc: 'jleonard@ml-llp.com'

Subject: Re: Escrow Agreement

Ted,

Yes, we will make sure that you get whatever documentation can be provided regarding the creation of the escrow account.

In the meantime, I understand from Chicago Title that the lien release needs to be recorded (just like the lien itself was recorded). Even with the signed release, the sale will not be able to close without the lien release being officially recorded. I trust that EPA can handle the recording, but please confirm. Please also let us know when we can expect the lien release to be recorded.

Thanks, Stephen

From: Yackulic, Ted [mailto:yackulic.ted@epa.gov]

Sent: Monday, February 03, 2014 08:53 AM Pacific Standard Time

To: Feldman, Stephen (Perkins Coie); 'tyackulic@gmail.com' <tyackulic@gmail.com>; 'Kelly.Norton@ctt.com'

< Kelly.Norton@ctt.com>; Frederick.Phillips@USDOJ.GOV < Frederick.Phillips@USDOJ.GOV >

Cc: 'jleonard@ml-llp.com' <jleonard@ml-llp.com>

Subject: RE: Escrow Agreement

Can you send me documentation of the account after it is created? Thanks.

From: Feldman, Stephen (Perkins Coie) [mailto:SFeldman@perkinscoie.com]

Sent: Monday, February 03, 2014 8:49 AM

To: Yackulic, Ted; 'tyackulic@gmail.com'; 'Kelly.Norton@ctt.com'; Frederick.Phillips@USDOJ.GOV

Cc: 'jleonard@ml-llp.com'

Subject: Re: Escrow Agreement

Thanks, Ted.

Kelly, please let Ted know if anything else is required on the part of EPA.

From: Yackulic, Ted [mailto:yackulic.ted@epa.gov]

Sent: Monday, February 03, 2014 08:45 AM Pacific Standard Time

To: Feldman, Stephen (Perkins Coie); 'tyackulic@gmail.com' < tyackulic@gmail.com'>; 'Kelly.Norton@ctt.com'

< <u>Kelly.Norton@ctt.com</u>>; <u>Frederick.Phillips@USDOJ.GOV</u> < <u>Frederick.Phillips@USDOJ.GOV</u>>

Cc: 'jleonard@ml-llp.com' <jleonard@ml-llp.com>

Subject: RE: Escrow Agreement

Steve and Kelly,

Here is a signed copy of the lien release. If you need the original let me know where to mail it. We will send it by overnight mail.

Ted Yackulic, Assistant Regional Counsel U.S. Environmental Protection Agency, Region 10 1200 Sixth Avenue, Suite 900 Seattle, WA 98101

Phone: <u>206-553-1218</u> yackulic.ted@epa.gov

From: Feldman, Stephen (Perkins Coie) [mailto:SFeldman@perkinscoie.com]

Sent: Sunday, February 02, 2014 3:31 PM

To: 'tyackulic@gmail.com'; 'Kelly.Norton@ctt.com'; Yackulic, Ted; Frederick.Phillips@USDOJ.GOV

Cc: 'jleonard@ml-llp.com'

Subject: Re: Escrow Agreement

Kelly?

From: Ted Yackulic [mailto:tyackulic@gmail.com]

Sent: Sunday, February 02, 2014 03:29 PM Pacific Standard Time

To: Feldman, Stephen (Perkins Coie); 'Norton, Kelly' < Kelly.Norton@ctt.com>; 'Yackulic, Ted' < yackulic.ted@epa.gov>;

<u>Frederick.Phillips@USDOJ.GOV</u> < <u>Frederick.Phillips@USDOJ.GOV</u> > **Cc**: Justin D. Leonard (<u>jleonard@ml-llp.com</u>) < <u>jleonard@ml-llp.com</u>>

Subject: RE: Escrow Agreement

Will a scanned version do

Ted Yackulic

From: Feldman, Stephen (Perkins Coie)

Sent: 2/2/2014 1:22 PM

To: 'Norton, Kelly'; 'Yackulic, Ted'; 'tyackulic@gmail.com'; Frederick.Phillips@USDOJ.GOV

Cc: Justin D. Leonard (jleonard@ml-llp.com)

Subject: RE: Escrow Agreement

All, attached is a fully-executed copy of the Escrow Agreement.

Ted, please send the lien release at your earliest opportunity.

Thanks, Stephen From: Norton, Kelly [mailto:Kelly.Norton@ctt.com]

Sent: Friday, January 31, 2014 5:06 PM

To: Feldman, Stephen (Perkins Coie); 'Yackulic, Ted'

Cc: Frederick.Phillips@USDOJ.GOV; Justin D. Leonard (jleonard@ml-llp.com)

Subject: RE: Escrow Agreement

Stephen please see attached with my signature and the original is on its way to you for delivery on Monday. Thanks again~

Kelly M. Norton Senior Escrow Officer/Commercial Division Chicago Title Company 1211 SW Fifth Avenue, Suite 2130 Portland, OR 97204 Direct:503-973-7402

Toll Free: 866-847-7400 Fax: 503-248-0324 Kelly.Norton@CTT.COM

From: Feldman, Stephen (Perkins Coie) [mailto:SFeldman@perkinscoie.com]

Sent: Friday, January 31, 2014 4:41 PM

To: 'Yackulic, Ted'; Norton, Kelly

Cc: Frederick.Phillips@USDOJ.GOV; Justin D. Leonard (jleonard@ml-llp.com)

Subject: RE: Escrow Agreement

FYI, I will have all of the Seller signatures within the next hour or so.

Kelly, Please advise as to Chicago Title's signature. Thanks.

From: Yackulic, Ted [mailto:yackulic.ted@epa.gov]

Sent: Friday, January 31, 2014 3:59 PM

To: Feldman, Stephen (Perkins Coie); Kelly.Norton@CTT.COM

Cc: Frederick.Phillips@USDOJ.GOV; Justin D. Leonard (jleonard@ml-llp.com)

Kelly and Steve,

Attached is an EPA signed copy of the escrow agreement. I'll send a scanned version of the lien release form after I receive a copy of the executed escrow agreement.

Ted Yackulic, Assistant Regional Counsel U.S. Environmental Protection Agency, Region 10 1200 Sixth Avenue, Suite 900 Seattle, WA 98101

Phone: 206-553-1218 yackulic.ted@epa.gov

From: Feldman, Stephen (Perkins Coie) [mailto:SFeldman@perkinscoie.com]

Sent: Friday, January 31, 2014 2:37 PM **To:** Kelly.Norton@CTT.COM; Yackulic, Ted

Cc: Frederick.Phillips@USDOJ.GOV; Justin D. Leonard (jleonard@ml-llp.com)

Subject: Escrow Agreement

Kelly and Ted,

Attached is an execution copy of the Escrow Agreement.

Please have an authorized representative of Chicago Title and EPA, respectively, sign the Agreement, and please then return to me the executed signature page. Once all the parties and EPA have signed, I will put together a fully-executed copy of the Agreement and circulate it.

Thanks everyone for your cooperation and effort in getting this done.

Best, Stephen

Stephen M. Feldman | Perkins Coie LLP

1120 N.W. Couch Street

Tenth Floor

Portland, OR 97209-4128 PHONE: 503.727.2058

FAx: 503.346.2058

E-MAIL: sfeldman@perkinscoie.com



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